



Office of the Auditor General of Canada

2011-12 Estimates

Report on Plans and Priorities

Approved

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Auditor General of Canada

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A Message from the Auditor General of Canada



Photo by Andrew & Cooper (Toronto, Ontario)

Sheila Fraser, Auditor General of Canada

I am pleased to present my Office's Report on Plans and Priorities for 2011–12. As my term will end in May 2011, this is my last such report on behalf of the Office of the Auditor General of Canada.

The Office has identified two strategic priorities for the coming fiscal year: effectively managing the transition to a new Auditor General, and successfully implementing its Renewal of Audit Methodology (RAM) project.

The Auditor General of Canada serves a fixed 10-year, non-renewable term. With the end of my term approaching, the process has begun to recruit Canada's next Auditor General and to make the transition as smooth as possible.

Our second strategic priority for 2011–12 is to successfully deploy the RAM project. This project was undertaken to respond both to significant changes in international and

Canadian auditing standards and to findings of our internal practice reviews, feedback from practitioners, and recommendations of the 2010 international peer review. It involves renewing the Office's audit methodology, establishing a sustainable process to ensure that our methodology remains current, and updating the design and documentation of our Quality Management System. The main objective of the project is to provide our staff with the tools, training, and change management support they need to conduct high-quality audits.

The Office is also continuing to focus on two other areas of strategic importance: people management and product management. With regard to people management, we are addressing the results of our 2010 employee survey. An employee committee reviewed the results and, while employee satisfaction and engagement remain high, the committee made recommendations to senior management about areas that could be improved. The Executive Committee responded with an action plan, which we will be implementing in the coming year.

I am pleased to note that for the fourth year in a row, the Office has been chosen as one of Canada's Top 100 Employers. In addition, this is the third year we have been named one of Canada's Top 25 Family-friendly Employers.

On the product management side, we are continuing our efforts to ensure that our audits are delivered on time and on budget. We have made some progress in this area but have not yet achieved the results we would like to see. The new accounting and auditing standards coming into effect are making it difficult to make accurate budget forecasts. We expect to overcome these challenges in time and to reach our objective.

I believe that over the last 10 years, the Office, with its dedicated professionals, has strengthened the way it serves Parliament and Canadians. I am fortunate to have been supported by colleagues who are committed to excellence, integrity, and making a difference to Canadians, and I am proud to have served as Auditor General of Canada.

Sheila Fraser, FCA
Auditor General of Canada

2 February 2011

Section I—Office Overview

Who we are

The Office of the Auditor General of Canada is the legislative audit office of the federal government. We are also the legislative auditor of the three territories. We conduct independent audits and studies that provide objective information, advice, and assurance to Parliament, territorial legislatures, governments, and Canadians. With our reports and testimony at parliamentary hearings, we assist Parliament in its work on the authorization and oversight of government spending and operations.

What we do

The Auditor General is an Officer of Parliament, who is independent from the government and reports directly to Parliament. Her duties are set out in the *Auditor General Act*, the *Financial Administration Act* (FAA), and other acts and orders-in-council. These duties relate to legislative auditing and, in certain cases, to monitoring of federal departments and agencies, Crown corporations, territorial governments, and other entities.

The Office of the Auditor General's main legislative auditing duties are

- financial audits,
- performance audits,
- special examinations,
- sustainable development monitoring activities and environmental petitions, and
- assessments of agency performance reports.

Financial audits

Our financial audits provide assurance that financial statements are presented fairly in accordance with the applicable financial reporting framework. Where required, we provide assurance that the organizations we audit comply, in all significant respects, with legislative authorities that are relevant to a financial audit. We conduct financial audits of federal and territorial Crown corporations and of other organizations. We audit the summary financial statements of the Government of Canada and each of the three territories (Nunavut, the Yukon, and the Northwest Territories).

If issues or opportunities for improvement in areas such as financial reporting and internal controls come to our attention during our financial audit work, we make recommendations to management. We also provide information and advice to support audit committees in meeting their responsibilities for oversight of financial reporting and internal control.

Performance audits

Performance audits examine, against established criteria, whether government programs are being managed with due regard to economy, efficiency, and environmental impact, and whether the government has the means to measure and report their effectiveness. Our reports contain recommendations for addressing the most serious deficiencies identified.

The *Auditor General Act* gives the Office the discretion to determine what areas of government it will examine in its performance audits. We may decide to audit a single government program or activity, an area of responsibility that involves several departments or agencies, or an issue that affects many departments and agencies. We consider requests for audits that we receive from parliamentary committees. However, the final decision about what to audit is made by the Auditor General.

Special examinations

Our special examinations assess the systems and practices maintained by Crown corporations to safeguard their assets; to manage their human, physical, and financial resources economically and efficiently; and to carry out their operations effectively. A special examination provides an opinion to the board of directors of the corporation on whether there is reasonable assurance that there are no significant deficiencies in the corporation's systems and practices. In addition to reporting on significant deficiencies, our special examinations highlight systems and practices that contribute to success and provide information and recommendations to boards of directors about opportunities for improvement.

All parent Crown corporations are subject to a special examination by the Office, except the Bank of Canada, which is exempt from this requirement, and the Canada Pension Plan Investment Board, which, under its act, is subject to a special examination by an auditor chosen by its board of directors. Under the FAA, special examinations are required at least once every 10 years.

Sustainable development monitoring activities and environmental petitions

The Commissioner of the Environment and Sustainable Development assists the Auditor General in performing her duties related to the environment and sustainable development. The Commissioner conducts performance audits to monitor the government's management of environmental and sustainable development issues and, on behalf of the Auditor General, reports to Parliament on issues that should be brought to its attention.

Under the *Kyoto Protocol Implementation Act*, the Commissioner is required to provide Parliament with a biennial report; this report includes an analysis of Canada's progress in implementing its climate change plans; an analysis of Canada's progress in meeting its obligations under Article 3, paragraph 1, of the Kyoto Protocol; and any observations and recommendations on any matter that the Commissioner considers relevant.

With passage of the *Federal Sustainable Development Act* in June 2008, the federal government is required to table a federal sustainable development strategy every three years beginning in 2010. Under the Act, the Commissioner was given the responsibility of reviewing a draft of

the federal government's sustainable development strategies and commenting on whether the targets and implementation strategies can be assessed.

Once every three years, beginning in 2011, the Act requires 28 federal departments to prepare sustainable development strategies that contribute to and comply with the federal strategy. The Commissioner must report annually to the House of Commons on the extent to which departments subject to the Act have contributed to meeting the targets set out in the federal strategy and have met the objectives and implemented the plans set out in their own sustainable development strategies. In June 2011, the government must report on progress in implementing its strategy. The Commissioner must assess the fairness of the information contained in the government's progress report.

The Commissioner also administers the environmental petitions process. He monitors responses to environmental petitions and reports annually to Parliament on petition activities including instances where ministers' responses to petitions were not provided within the 120-day time limit specified in legislation. The Office of the Auditor General considers issues raised in petitions when planning future audits.

Integration of environment and sustainable development

The Office is committed to ensuring that our auditors systematically consider environmental risks when they prepare their long-term performance audit plans and carry out their survey work for individual performance audits. Environmental specialists and audit tools are available to support them in fulfilling this commitment. When conducting special examinations of Crown corporations where important environmental risks have been identified, audit teams also receive enhanced support and advice from our environmental specialists.

Assessments of agency performance reports

The legislation governing Parks Canada, the Canadian Food Inspection Agency, and the Canada Revenue Agency requires the Auditor General to periodically carry out an assessment of the fairness and reliability of the performance information reported in their annual reports against corporate objectives they provided to Parliament.

Professional practices

In order to ensure the reliability and consistency of our audit work, the Office makes an ongoing investment in professional practices. This investment supports

- the development and maintenance of up-to-date audit methodology, guidance, and audit tools;
- communication and training to promote consistency in the application of audit methodology and our Quality Management System; and
- the provision of advice on the interpretation and application of professional standards, Office policies, audit methodology, and the Office's Quality Management System.

The Office also works with other legislative audit offices and professional associations, such as The Canadian Institute of Chartered Accountants, to advance legislative auditing methodology, accounting and auditing standards, and best practices. The Office works

together with provincial legislative audit offices in the development and implementation of professional standards, and in methodology development and training. We also collaborate with our provincial colleagues on issues that are cross-jurisdictional. We regularly participate in external reviews of other national legislative audit offices and are the subject of external reviews.

International activities

Our international strategy guides our international activities and positions the Office to meet future opportunities and challenges. The strategy has four goals: contributing to the development and adoption of appropriate and effective professional standards, sharing knowledge among audit offices, building capabilities and professional capacities of audit offices, and promoting better managed and accountable international institutions (see Section III for more details).

Strategic outcome and expected results

The long-term strategic outcome of the Office of the Auditor General is to contribute to better-managed government programs and better accountability to Parliament and territorial legislatures through legislative auditing.

We have identified a number of results that we expect to achieve with our audits in the short, medium, and long term:

- In the short term, we want to engage legislatures and federal and territorial organizations in the audit process, ensure that they are well-informed about our work, and maintain support for our role and work.
- In the medium term, we want to assist legislatures in holding government to account; make our work relevant to federal and territorial organizations, departments, agencies, and Crown corporations; and ensure that the public is well informed about our work.
- In the long term, we want our work to lead to more effective, efficient, and economical government programs and operations, and programs that foster sustainable development.

The following tables provide the Office's planning summary, including our strategic outcome, expected results, performance objectives, indicators and targets, and details of planned spending for the coming year (Exhibits 1 and 2).

Exhibit 1—Planning summary		
Strategic Outcome: We contribute to a well-managed and accountable government for Canadians		
Expected results <ul style="list-style-type: none"> Legislatures are well-informed Legislatures and federal and territorial organizations are engaged in the audit process Legislatures hold government to account Our work is relevant to federal and territorial organizations, departments, agencies, and Crown corporations The media and public are well-informed Support for our role and work is maintained 		
Objectives	Indicators and targets	
Key users of our reports are engaged in the audit process	Maintain the percentage of audits that are reviewed by parliamentary committees Maintain the number of parliamentary hearings and briefings we participate in relative to the number of sitting days	
Our work adds value for the key users of our reports	Maintain or increase the percentage of users who find our audits add value	
Our work adds value for the organizations we audit	Maintain or increase the percentage of senior managers who find our audits add value	
Key users of our reports and the organizations we audit respond to our findings	Maintain or increase the percentage of recommendations that are implemented or reservations/deficiencies that are addressed	
Legislative auditing activity¹	Forecast spending 2010-11 (\$ millions)	Planned spending 2011-12 (\$ millions)
Financial audits of Crown corporations, territorial governments, and other organizations, and of the summary financial statements of the Government of Canada	42.0	44.1
Performance audits and studies	40.6	40.7
Special examinations of Crown corporations	0.7	2.8
Sustainable development monitoring activities and environmental petitions	1.7	2.1
Assessments of agency performance reports	0.7	0.7
Professional practices	15.7	15.0
Total cost of operations	101.4	105.4
Less: costs recovered ²	0.6	0.8
Net cost of operations	100.8	104.6

¹ We have allocated the cost of audit services to each legislative auditing activity.

² The costs recovered include spendable revenue from the National Professional Practices Group and from the audit of the International Labour Organization, which we conduct on a cost recovery basis.

Exhibit 2—Voted and statutory items (\$ millions)			
Vote # or statutory item (\$)	Vote or statutory wording	2010–11 Main Estimates	2011–12 Main Estimates
15	Program expenditures	75.1	74.5
(S)	Contributions to employee benefit plans	10.0	10.4
	Total ¹	85.1	84.9

¹ The difference between net cost of operations (Exhibit 1) and Main Estimates includes cost of services received without charge from other government departments, costs recovered, other adjustments that are routine in nature, including the carry-forward funding, parental leave/severance payments, and other differences due to accrual accounting (salary accruals and capital asset acquisition less depreciation).

The following tables provide the Office's planned financial and human resources for the next three years (Exhibit 3).

Exhibit 3—Planned financial and human resources				
	Forecast spending 2010–11 (\$ millions)	Planned spending 2011–12¹ (\$ millions)	Planned spending 2012–13 (\$ millions)	Planned spending 2013–14 (\$ millions)
Financial resources				
Net cost of operations	100.8	104.6	100.9	100.9

¹ We expect to lapse funds in 2010–11 and to be able to carry the funds forward to 2011–12. Any future funds that may potentially be carried forward are not included in subsequent years' planned spending numbers.

	Forecast 2010–11	Planned 2011–12	Planned 2012–13	Planned 2013–14
Human resources				
Full-time equivalents	635	633	633	633

Our priorities for 2011–12

Each year the Office reviews and updates its strategic plan and priorities in response to changes in our operating environment and to the results of our key performance indicators and our risk management processes.

We have established two strategic priorities for the 2011–12 fiscal year:

- Effectively manage the transition to a new Auditor General
- Successfully implement our Renewal of Audit Methodology (RAM) project

Effectively manage the transition to a new Auditor General

One of the Office's strategic priorities is to manage the transition to a new Auditor General. The Auditor General has a fixed 10-year term that is non-renewable. The mandate of the current Auditor General ends in May 2011.

A selection committee, created by the Privy Council Office and comprised of senior government members and external consultants, will review the applications for the position and make a recommendation to the Prime Minister. The appointment requires consultation with the leader of every recognized party in the Senate and House of Commons. There must also be approval of the appointment by resolution of the Senate and House of Commons. Once the parliamentary approval resolution is passed, officials in the Privy Council Office will prepare the necessary documentation for the appointment by the Governor in Council.

Within the Office, preparations are under way to make the transition as smooth as possible. We hope that the selection and appointment process will be completed in time to provide an overlap period for the current and new Auditor General to work together.

Successfully implement our Renewal of Audit Methodology (RAM) Project

Our other strategic priority is to successfully implement our RAM project, with the objective being to provide our staff with the tools, training, and change management support they need to conduct high-quality audits. This project will renew the Office's audit methodology, establish a sustainable process for ensuring that our methodology remains current, and update the design and documentation of our Quality Management System.

This project responds, in part, to significant changes in international and Canadian auditing standards, and to the introduction of International Financial Reporting Standards (IFRS) in 2011. A large number of the entities we audit are changing the basis of accounting used to prepare their annual financial statements—some to IFRS and others to public sector accounting standards. As a result, the financial statements that we are responsible for auditing are changing, as well as the manner in which we conduct and report our audits.

The project also responds to findings of our internal practice reviews, feedback received from practitioners, and recommendations of the international peer review of the Office done in 2010. The Peer Review Report and the Office's Response and Action Plan are available on our website at www.oag-bvg.gc.ca/peer-review.

We are on track to meet our deadline for the implementation of this project, except in one area related to our financial audit practice. In that practice, we have made the changes necessary to ensure that our methodology is fully compliant with the new Canadian Auditing Standards and have provided the necessary training to audit staff affected. However, our plans to put in place additional guidance and provide related training will be completed by 31 December 2012, one year later than planned. In all other areas and product lines, we are on track to meet our 31 December 2011 target date.

Other

Funding. For the past two years, the Office has not sought additional funding. In March 2010, the government decided to freeze operating budgets at 2010–11 levels for the following two fiscal years, 2011–12 and 2012–13. Therefore, in 2011–12, we will continue to work within our existing funding level. With these funds, we will conduct all of our statutory financial audits and plan to complete 25 performance audits and studies, and 3 special examinations.

Response to our employee survey. The results of our most recent employee survey indicated that employee satisfaction and engagement remains high, that the Office has improved in a number of areas, and that there are some areas for improvement.

An employee committee reviewed the results and made detailed recommendations to senior management, focusing on the areas of people management, product and resource management, and communication. The Executive Committee responded to the recommendations with an action plan including specific initiatives that will be undertaken in each of those areas. The results of the survey are available on our website at www.oag-bvg.gc.ca/employee-surveys.

Resource allocation and project management. Beginning in 2008–09, we undertook a number of initiatives to improve our overall project management, including better planning, budgeting, and resource allocation. In 2009–10, we met or exceeded all of our targets for on-budget performance and raised those targets for 2010–11. While it is no longer a strategic priority, project management and resource allocation remains an area of continuing importance to the Office.

Section II—Planning Highlights by Product Line

Our main legislative auditing activities

The Office contributes to a well-managed and accountable government for Canadians through our work in the five types of legislative auditing activities (Exhibit 4).

Exhibit 4—Our legislative auditing activities				
Financial audits of Crown corporations, territorial governments, and other organizations, and of the summary financial statements of the Government of Canada	Performance audits and studies	Monitoring of sustainable development activities and the environmental petitions process	Special examinations of Crown corporations	Assessments of agency performance reports

We gather information on the impact of our work and have established indicators and targets to measure the results for our three major activities: financial audits, performance audits, and special examinations. The following sections describe the main activities, expected results, performance objectives, indicators and targets, and planned financial resources for each of these activities.

A complete list of our performance indicators and targets is included in Section III—Supplementary Information.

Financial audits of Crown corporations, territorial governments, and other organizations

Financial audits answer the following questions:

- Are the annual financial statements of Crown corporations, territorial governments, and other organizations presented fairly?
- Is the federal government presenting fairly its overall financial situation?
- Are these entities complying with their legislative authorities?

Planning highlights. The Office has statutory responsibilities for the audit of the summary financial statements of the Government of Canada and each of the three territorial governments, the financial statements of federal and territorial Crown corporations, and other entities. The audit of the International Labour Organization (a United Nations agency) is included among other entities.

We have also recently been appointed the auditor of the First Nations Statistical Institute and the Canada Employment Insurance Financing Board.

In 2011–12, we will conduct a total of more than 140 financial audits and related assurance engagements.

The following table includes the expected results, performance objectives, indicators and targets, and planned financial resources for financial audits of Crown corporations, territorial governments, and other organizations, as well as the audit of the summary financial statements of the Government of Canada (Exhibit 5).

Exhibit 5—Financial audits	
Expected results <ul style="list-style-type: none"> Legislatures and federal and territorial organizations are engaged in the audit process Legislatures hold government to account Our work is relevant to federal and territorial organizations, departments, agencies, and Crown corporations 	
Objectives	Indicators and targets
Our work adds value for the key users of our reports	90 percent of audit committee chairs find our financial audits add value
Our work adds value for the organizations we audit	80 percent of Crown corporation and large-department senior managers find our financial audits add value
Key users of our reports and the organizations we audit respond to our findings	100 percent of the reservations in our audit opinions are addressed from one financial audit to the next
Planned financial resources for 2011–12: \$44.1 million	

Performance audits and studies of departments and agencies

Performance audits answer the following questions:

- Are federal government programs well managed?
- Have they been run with due regard to economy, efficiency, and their environmental effects?
- Does the government have the means to measure their effectiveness where it is reasonable and appropriate to do so?

Planning highlights. In 2011–12, we plan to report the findings of 25 federal and territorial performance audits and studies identified through our risk-based planning process. Our audit schedule for the coming year is in Section III—Supplementary Information.

The following table includes the expected results, performance objectives, indicators and targets, and planned financial resources for performance audits and studies (Exhibit 6).

Exhibit 6—Performance audits and studies	
Expected results <ul style="list-style-type: none"> Legislatures and federal and territorial organizations are engaged in the audit process Legislatures hold government to account Our work is relevant to federal and territorial organizations, departments, agencies, and Crown corporations 	
Objectives	Indicators and targets
Key users of our reports are engaged in the audit process	Maintain percentage of performance audits reviewed by parliamentary committees Maintain number of parliamentary hearings and briefings we participate in relative to the number of sitting days
Our work adds value for the key users of our reports	90 percent of members of selected parliamentary committees find our performance audits add value
Our work adds value for the organizations we audit	70 percent of department senior managers find our performance audits add value
Key users of our reports and the organizations we audit respond to our findings	75 percent of performance audit recommendations are substantially or fully implemented four years after their publication
Planned financial resources for 2011–12: \$40.7 million	

Special examinations

A special examination of a Crown corporation answers the following question:

Do the systems and practices used by the Crown corporation provide reasonable assurance that assets are safeguarded, that resources are managed economically and efficiently, and that operations are carried out effectively?

Planning highlights. During a 10-year period, the Office performs special examinations of about 45 federal Crown corporations. In 2011–12, we plan to substantially complete the special examinations of three corporations: Canadian Race Relations Foundation, Old Port of Montreal Corporation Inc., and Public Sector Pension Investment Board.

The following table includes the expected results, performance objectives, indicators and targets, and planned financial resources for special examinations of Crown corporations (Exhibit 7).

Exhibit 7—Special examinations	
Expected results <ul style="list-style-type: none"> • Parliament and federal organizations are engaged in the audit process • Parliament holds government to account • Our work is relevant to federal organizations, departments, agencies, and Crown corporations 	
Objectives	Indicators and targets
Our work adds value for the key users of our reports	90 percent of board chairs find our special examinations add value
Our work adds value for the organizations we audit	80 percent of Crown corporation chief executive officers find our special examinations add value
Key users of our reports and the organizations we audit respond to our findings	100 percent of significant deficiencies are addressed from one special examination to the next ¹
Planned financial resources for 2011–12: \$2.8 million	

¹ In light of the change in the *Financial Administration Act* to the frequency of special examinations, we will be reviewing the appropriateness of this indicator in 2011–12.

Our measures of organizational performance

We measure and manage our performance as an organization in a number of ways. The following section describes three key areas of our performance and the objectives, indicators, and targets that we measure our performance against.

Delivering our work on time and on budget

The following table includes the objectives, indicators, and targets for delivering our work on time and on budget (Exhibit 8).

Exhibit 8—Delivering our work on time* and on budget**	
Objectives	Indicators and targets
<i>Financial audits</i>	
On time	<ul style="list-style-type: none"> • 100 percent of financial audits of federal Crown corporations are completed on time • 100 percent of financial audits of other federal organizations with a statutory deadline are completed on time • 80 percent of financial audits of federal organizations with no statutory deadline are completed on time • 60 percent of financial audits of territorial organizations are completed on time
On budget	80 percent of financial audits are completed on budget

Exhibit 8—Delivering our work on time* and on budget** (continued)	
Objectives	Indicators and targets
<i>Performance audits</i>	
On time	90 percent of performance audit reports are completed by the planned tabling date as published in the Report on Plans and Priorities
On budget	80 percent of performance audits are completed on budget
<i>Special examinations</i>	
On time	100 percent of special examination reports are delivered on or before the statutory deadline
On budget	80 percent of special examinations are completed on budget

* "On time" for financial audits means the statutory deadline where one exists (usually 90 days after year end), or 150 days after the year end where no statutory deadline exists.

** "On budget" means that the actual hours to complete an audit did not exceed the budgeted hours by more than 15 percent.

Ensuring that our audit reports are reliable

Our audit work is guided by a rigorous methodology and quality management system. Annual internal reviews and periodic external peer reviews provide the Auditor General with opinions on whether our audits are conducted in accordance with professional standards, and whether our Quality Management System is appropriately designed and effectively implemented. We report publicly on the results of these reviews in order to provide assurance to members of Parliament and the public that they can rely on the opinions and conclusions contained in our audit reports. Our Quality Management System is based on professional standards and Office policies. It guides auditors through a set of steps they must follow during their audits and ensures that these audits are conducted according to professional standards and Office policies. Annual internal reviews also conclude on whether the opinions and conclusions contained in our audit reports are appropriate. The Office's Practice Review and Internal Audit Plan as well as the reports can be found on the Office of the Auditor General website. A list of the internal audits planned for the next three years is included in the supplementary tables.

External reviews conducted by the provincial institutes of chartered accountants conclude on whether we are following professional standards and meeting their requirements for training chartered accounting students.

The following table includes the objectives, indicators, and targets for ensuring that our audit reports are reliable (Exhibit 9).

Exhibit 9—Ensuring that our audit reports are reliable	
Objectives	Indicators and targets
Our audit reports are reliable	100 percent of internal practice reviews find the opinions and conclusions expressed in our audit reports are appropriate and supported by the evidence
Our Quality Management System is suitably designed and operating effectively	100 percent of internal practice reviews and external reviews find our Quality Management System is suitably designed and operating effectively

Providing a respectful workplace

The OAG is committed to creating and maintaining a respectful workplace. Employees are guided in their work and their conduct by a balanced framework of professional, ethical, and people values that are outlined in the Office's Code of Values, Ethics and Professional Conduct. The code is shared with all employees at the time of joining our organization, and they must re-confirm their adherence to it on an annual basis.

Respectful workplace practices are included in the competency profiles for each group and level within the Office. These competencies are used in employee staffing, management, promotion and evaluation activities. Furthermore, 50 percent of managers' performance pay is tied to their demonstration of effective people management skills, which includes the promotion of a respectful workplace.

Our mandatory professional development program includes training on respectful communication and management practices. We are also introducing a new Respectful Workplace Policy, which will replace the previous Harassment and Discrimination Policy and will provide a clear process for managing and resolving complaints.

Finally, through our biennial Employee Satisfaction Survey, the Office is able to gauge its success in sustaining a respectful workplace. Results of the 2010 survey show that 81 percent of those who responded to the survey believed that the behaviour of their group's senior management was consistent with the Office's respectful workplace value. In 2010, the Office again was recognized as one of Canada's Top 100 Employers, one of the National Capital Region's Top 25 employers, and among the Top 25 Family-friendly Employers in Canada.

The following table includes the objectives, indicators, and targets for providing a respectful workplace at the OAG (Exhibit 10).

Exhibit 10—Providing a respectful workplace	
Objectives	Indicators and targets
Overall employee satisfaction	80 percent of employees believe the Office is either an above-average place to work or one of the best places to work
Bilingual workforce	<ul style="list-style-type: none"> • 100 percent of assistant auditors general and principals meet our language requirements • 75 percent of directors in bilingual regions meet our language requirements
Diverse workforce	100 percent representation relative to workforce availability for women, people with disabilities, Aboriginal peoples, and members of visible minorities
Employee retention	90 percent retention of audit professionals

Section III—Supplementary Information

Supplementary information tables

In addition to the tables in this section, the following supplementary information tables can be found on the Treasury Board of Canada Secretariat's website at <http://www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp> or on the Office of the Auditor General website at www.oag-bvg.gc.ca/performance.

- Sources of spendable and non-spendable revenue
- Internal audits planned for 2011–12 to 2013–14

Planned reports for 2011–12

Reports to the House of Commons

Spring 2011

Auditor General—Spring Report

- Spending on the June 2010 G8/G20 Summits
- Reserve Force Pension Plan—National Defence

Auditor General—Status Report (follow up on previous audit work)

- Financial Management and Control and Risk Management
- Large Information Technology Projects
- Internal Audit
- Programs for First Nations on Reserves
- National Police Services—Royal Canadian Mounted Police
- Regulating Medical Devices—Health Canada
- Special Examinations of Crown Corporations—2010

Commissioner of the Environment and Sustainable Development

- Progress Against the *Kyoto Protocol Implementation Act* (May 2011)
- Assessing Cumulative Environmental Effects of Oil Sands Projects

Fall 2011

Auditor General—Fall Report

- Canada's Economic Action Plan
- Business Risk Management—Agriculture and Agri-Food Canada
- Admissibility—Citizenship and Immigration Canada
- Drug Safety—Health Canada
- Maintaining and Repairing Military Equipment—National Defence

Report to the Board of Internal Economy of the House of Commons

- Administration of the House of Commons

Report to the Senate Committee on Internal Economy, Budgets and Administration

- Administration of the Senate

Commissioner of the Environment and Sustainable Development

- Environmental Science
- Land-based Pollution Emergencies
- Environmental Enforcement
- Environmental Petitions

Reports to Northern Legislatures

- Yukon—Status Report (February 2012)
- Northwest Territories—Status Report (February 2012)
- Nunavut Energy Supply (March 2012)

International activities

Our international strategy has the following four goals:

- Contributing to the development and adoption of appropriate and effective professional standards
- Sharing knowledge among audit offices
- Building capabilities and professional capacities of audit offices
- Promoting better managed and accountable international institutions

Contributing to the development and adoption of appropriate and effective professional standard

The standard-setting boards of The Canadian Institute of Chartered Accountants decided to adopt International Standards on Auditing in 2010 and International Financial Reporting Standards in 2011. The Office plays an active role in shaping these standards, particularly as they relate to the public sector. To that end, employees in the Office participate in various task forces of the International Auditing and Assurance Standards Board to revise and develop International Standards on Auditing. In January 2008, the Auditor General became a member of the International Public Sector Accounting Standards Board of the International Federation of Accountants.

The Office is also a member of the Professional Standards Committee's Subcommittee on Financial Audit Guidelines of the International Organization of Supreme Audit Institutions (INTOSAI). This subcommittee supports and actively contributes to the work of developing high-quality guidelines for financial audit that are globally accepted for the audit of financial statements in the public sector.

Sharing knowledge among audit offices

Employees of the Office participate in various INTOSAI committees, including the Subcommittee on Performance Audit, the Working Group on Information Technology Audit, the Working Group on Environmental Auditing, the Working Group on Value and Benefits of Supreme Audit Institutions, the Capacity Building Committee, the Subcommittee to Promote Increased Capacity Building Activities Among INTOSAI Members, and the Task Force on the Global Financial Crisis. The Auditor General assumed the chair of the Professional Standards Committee's Subcommittee on Accounting and Reporting of INTOSAI in November 2007.

Building capabilities and professional capacities of audit offices

The Office is actively involved in helping to build capacity in audit institutions located in French sub-Saharan Africa, in partnership with the Canadian International Development Agency (CIDA) and two executing agencies. We provide training to auditors from other national audit offices as part of the International Legislative Audit Office Assistance Program for Improved Governance and Accountability of the CCAF-FCVI Inc. This CIDA-funded program, which was established in 1980, brings auditors from other national audit offices to Canada for 10 months of training in performance auditing, accountability, and governance.

Promoting better managed and accountable international institutions

In early 2007, the Office was selected as the external auditor of the International Labour Organization for a four-year term, effective in 2008.

Our performance indicators and measures

The following tables summarize our targets and actual performance for 2009–10 and our targets for 2011–12 (Exhibits 11 and 12).

Exhibit 11—Summary of our indicators of impact			
Objectives and indicators	2009–10 Actual	2009–10 Target	2011–12 Target
Our work adds value for the key users of our reports			
Percentage of audit committee chairs who find our financial audits add value	95	90	90
Percentage of members of selected parliamentary committees who find our performance audits add value	93 ¹	90	90
Percentage of board chairs who find our special examinations add value	80	90	90
Our work adds value for the organizations we audit			
Percentage of Crown corporation and large department senior managers who find our financial audits add value	85	80	80
Percentage of department senior managers who find our performance audits add value	56	70	70
Percentage of Crown corporation chief executive officers who find our special examinations add value	90	80	80
Key users of our reports are engaged in the audit process			
Number of parliamentary hearings and briefings we participate in relative to number of sitting days	39/113	maintain ²	maintain ²
Percentage of performance audits reviewed by parliamentary committees	68	maintain ²	maintain ²
Key users of our reports and the organizations we audit respond to our findings			
Percentage of reservations that are addressed from one financial audit to the next	41	100	100
Percentage of performance audit recommendations substantially or fully implemented four years after their publication	90	75	75
Percentage of significant deficiencies that are addressed from one special examination to the next ³	50	100	100

Exhibit 12—Summary of our organizational performance			
Objectives and indicators	2009-10 Actual	2009-10 Target	2011-12 Target
Our work is completed on time and on budget			
<i>On time</i>			
Percentage of financial audits completed on time ⁴			
Federal Crown corporations with statutory deadlines	98	100	100
Other federal organizations with statutory deadlines	100	100	100
Federal organizations with no statutory deadlines	86	80	80
Territorial organizations	64	60	60
Percentage of performance audit reports completed by the planned tabling date as published in the <i>Report on Plans and Priorities</i>	96	90	90
Percentage of special examination reports delivered on or before the statutory deadline	100	100	100
<i>On budget</i>			
Percentage of audits completed on budget ⁵			
Financial audits—federal Crown corporations	90	70	80
Financial audits—other federal organizations with statutory deadlines	84	70	80
Financial audits—federal organizations without a statutory deadline	89	70	80
Financial audits—territorial organizations	60	60	80
Performance audits	96	70	80
Special examinations	90	70	80
Our audit reports are reliable			
Percentage of internal practice reviews that find the opinions and conclusions expressed in our audit reports are appropriate and supported by the evidence	100	100	100
Percentage of internal practice reviews and external reviews that find our Quality Management System is suitably designed and operating effectively	Mostly ⁶	100	100
We provide a respectful workplace			
Percentage of employees who believe the Office is either an above-average place to work or one of the best places to work	78 ⁷	80	80
Percentage of management who meet our language requirements			
Assistant auditors general and principals	85	100	100
Directors in bilingual regions	84	75	75

Exhibit 12—Summary of our organizational performance (continued)			
Objectives and indicators	2009-10 Actual	2009-10 Target	2011-12 Target
Percentage representation relative to workforce availability for			
Women	117	100	100
People with disabilities	117	100	100
Aboriginal peoples	137	100	100
Members of visible minorities	90	100	100
Percentage retention of audit professionals	89	90	90

¹ The results shown for 2009-10 are from the survey of parliamentarians conducted in June 2010.

² There is no numeric target for these indicators as they depend on the number of sitting days and other factors beyond our control. Instead, the target is to maintain the number of parliamentary hearings and briefings we participate in, relative to the number of sitting days, and to maintain the percentage of audits reviewed by parliamentary committees.

³ In light of the change in the *Financial Administration Act* to the frequency of special examinations, we will be reviewing the appropriateness of this indicator in 2011-12.

⁴ "On time" for financial audits means the statutory deadline where one exists (usually 90 days after year end), or 150 days after the year end where no statutory deadline exists.

⁵ "On budget" means that the actual hours to complete an audit did not exceed the budgeted hours by more than 15 percent.

⁶ The result for 2009-10 is based on the findings of an international peer review led by the National Audit Office of Australia. It concluded that the Quality Management System (QMS) was suitably designed for all product lines and operating effectively for the performance audit and special examination practices. The QMS was generally operating effectively for the annual audit practice, but the peers identified two areas for improvement. These findings were similar to our internal practice reviews.

⁷ The employee survey results shown were received in May 2010. We conduct employee surveys every two years.

